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FM AMCONSUL SAO PAULO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5064
INFO RUEHBR/AMEMBASSY BRASILIA 6202
RUEHRG/AMCONSUL RECIFE 2923
RUEHRI/AMCONSUL RIO DE JANEIRO 7105
RUEHAC/AMEMBASSY ASUNCION 2574
RUEHBU/AMEMBASSY BUENOS AIRES 2237
RUEHMN/AMEMBASSY MONTEVIDEO 1980
RUEHLP/AMEMBASSY LA PAZ 2798
RUEHSG/AMEMBASSY SANTIAGO 1711
RHEHNSC/NSC WASHDC
RUEAIIA/CIA WASHDC
RUMIAAA/USCINCSO MIAMI FL
RUEAWJC/DEPT OF JUSTICE WASHDC
RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHDC

UNCLAS SECTION 01 OF 04 SAO PAULO 000532

SIPDIS

DEPARTMENT FOR DS/IP/WHA, DS/ICI/PII, DS/DSS/OSAC, WHA/BSC
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SENSITIVE
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E.O. 12958: N/A
TAGS: [PGOV](#) [PHUM](#) [KCRM](#) [SOCI](#) [SNAR](#) [ASEC](#) [BR](#)
SUBJECT: SAO PAULO STREET WAR OVER, BUT WHO WON?

REF: (A) Sao Paulo 526; (B) Sao Paulo 319; (C) Sao Paulo 42; (D) 05
Sao Paulo 975

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY.

1. (U) SUMMARY: The three-night assault on Sao Paulo police forces by the organized crime gang PCC seemed to have ended Monday evening (May 15) as suddenly as it started. The daily newspaper Folha de Sao Paulo reported on Tuesday, May 16, that the PCC leadership called a truce after reaching an agreement with state government officials regarding the status of imprisoned gang leaders. State officials deny making any deals with the gang. Regardless, life all but returned to normal overnight in Sao Paulo. Almost all of the state's penitentiaries were under control by midnight on Monday, and, after an evening rush "hour" declared to be the worst gridlock ever experienced in Sao Paulo, streets were largely quiet through the night. By Tuesday morning police barricades were being dismantled, and government officials declared that at least 50 percent of the cities buses would be running, after several terminals had been closed and bus services canceled on Monday out of fear of violent attacks. Some schools remained closed, but in general, May 16 looked like any given Tuesday in Sao Paulo. State government officials criticized media outlets and Internet surfers for spreading baseless rumors on Monday of erroneous government advisories and PCC threats. These rumors, officials charge, fueled a low-level panic across the city that led to the early closure of businesses and schools, and ultimately resulted in the ensuing gridlock that tied up the city for hours. END SUMMARY.

THE DAY SAO PAULO STOPPED

2. (U) Normalcy returned to Sao Paulo on Tuesday, May 16, as the war between the organized crime gang First Capital Command (PCC) and the Sao Paulo police (ref A) seemed to have come to an end by Monday evening. Traffic on Monday remained snarled throughout much of the city until 9:00 p.m., and cellular telephone traffic periodically overloaded circuits as rumors spread throughout the afternoon that

the government had advised residents to stay indoors or even decreed a curfew, and that the PCC had issued a threat that it would carry out random attacks on the general populace beginning at 8:00 p.m. Both rumors proved to have been false, leading government officials to decry the media and Internet surfers for spreading panic. Nonetheless, several buses were burned throughout the day and the police did engage suspects in several gun battles, resulting in some 20 deaths, including three police officers. (NOTE: We erroneously reported that Congonhas Airport had suspended operations during the course of a bomb scare. Apparently flights were not halted during the sweep, but rather, people were rushed through security checkpoints into boarding areas, and stores and other public access areas were cleared until it was determined that no bomb existed. A few incoming flights may have been cancelled by airlines. END NOTE.)

13. (U) The rumors, coupled with images of burning buses carried live on television, led many store owners, mall operators and other businesses to close early Monday afternoon, resulting in a mass exodus around 4:00 p.m. onto Sao Paulo's roadways, which can become overburdened with routine traffic on any given day. Further, with five bus companies refusing to operate and several key bus terminals closed, an estimated three million people who rely on public transportation found themselves scrambling for rides or walking long distances in search of the few bus lines still running. Within an hour the city became gridlocked in a manner worse than most Paulistanos (as the city's residents are called) can remember; for example, many Consulate staff simply returned to the compound to wait out the gridlock after having moved only a few blocks in 30 minutes. But as the traffic eased and nightfall descended, Sao Paulo remained relatively quiet, and it seemed that the bloody attacks of the previous three nights would not reappear for a fourth.

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TRUCE OR CONSEQUENCES

14. (U) The major daily newspaper Folha de Sao Paulo reported on Tuesday, May 16, that a truce was called by the PCC after its leaders negotiated acceptable terms for their confinement in the Sao Paulo prison system. State government officials deny that it made any deals with the PCC, stating emphatically, "We do not negotiate with bandits." Nonetheless, peace did come rather quickly to Sao Paulo streets. Particularly noticeable was the sudden cessation of prison riots; on Monday morning, 46 of 144 prison facilities reported ongoing riots with hostage situations (after a peak of 71 such riots on Sunday, May 14), and television stations showed footage of these throughout the day. But by 8:00 p.m. the number of riots had dropped to six, and by midnight all but two prisons were under the control of state authorities. Folha reported that PCC leaders gave an order of truce via cell phone that was to have taken effect at 4:00 p.m., and that the word quickly spread through the prison population, largely controlled by the PCC (ref B).

15. (SBU) State police also appeared to have regrouped during the day on Monday, May 15. The Commandant General held a mid-afternoon press conference to appeal for calm and assert that he would have sufficient forces out at night to combat the unprecedented violence in what he described as a "state of war." In that vein, Poloff witnessed a group of four to six police officers detain two suspects in a tactical maneuver that took place in the street alongside a public bus and near a police station. The officers, dressed in plain-clothes and armed with both handguns and shotguns, appeared suddenly in the vehicle lanes among the commuters stuck in traffic on a six-lane boulevard. While several officers surrounded the suspects with weapons drawn and aimed, others forced the two men to the ground and then brought them to their feet with their hands behind their heads. It was unclear whether the men had been walking between the cars in traffic or were pulled from a vehicle near the bus, but the police officers acted swiftly and decisively, and the entire incident lasted less than two minutes during a period when traffic was at a complete standstill. (NOTE: RSO suggests this may have been the work of one of Sao Paulo's tactical anti-organized

crime units, which may have been dispersed throughout the city in unmarked vehicles for the purpose of disrupting criminal attacks before or as they happen. END NOTE.) Television news footage and print photographs show that police presence had been beefed up at government facilities and on overpasses with sightlines to potential hotspots, and masked police with assault weapons and shotguns had been dispersed at the airports, although Consulate staff reported seeing no noticeable increase in security at Guarulhos International Airport on Monday evening.

NORMALCY RETURNS

16. (U) On Tuesday morning, May 16, state officials declared that at least 50 percent of the city's buses would be running, and police barricades around police stations had been removed in some areas. Public schools were mostly open, but many private schools and universities that announced on Monday afternoon that they would be closed on Tuesday remained so, mostly as parents and administrators assessed the security and transportation situation throughout the city. Businesses seemed to open as usual, if a bit slowly. While the Sao Paulo State Stock Exchange (BOVESPA) had terminated its after-hours trading session early on Monday, there is no indication that financial markets and banks would alter normal operations on Tuesday. In short, life in Sao Paulo appears to have returned to normal.

SO, WHO WON THE WAR?

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17. (U) The question remains, what was this incredible wave of violence really about, and what was the result? Best estimates now put the total number of attacks against police and public security targets, public buses, banks and other properties at 274 over four days (Friday, May 12 through the end of Monday, May 15). Almost 100 deaths associated with the attacks and related prison rebellions were reported, 40 or more involving law enforcement officers and just under 40 involving suspects. Four innocent civilians were killed, and a dozen or more inmates died in prison riots, either by police attempting to quell the violence or at the hands of other inmates. Several other states experienced spill-over violence, primarily from prison uprisings coordinated with those in Sao Paulo or in solidarity with them. One gruesome photo in Tuesday's Folha shows an inmate in the state of Mato Grosso do Sul holding up the severed head of a fellow inmate. It is not clear why he was killed.

18. (SBU) For the PCC, it may be that gang leaders simply wanted to demonstrate their power in the over-burdened, under-staffed state prison system, and throughout the favelas and working-poor districts that dot greater Sao Paulo. Once unleashed by their leaders behind bars, PCC followers on the streets may have taken revenge on the police they knew, thus hitting targets primarily in the periphery of Sao Paulo proper, and often killing officers while off-duty and unarmed. It seems there is a tacit understanding that a level of criminality behind bars will be tolerated, in no small part because the police and prison system are largely incapable of stopping it. The PCC may have demonstrated just how independently it believes it has a right to operate; in other words, the prison authority's decision to transfer 750 PCC leaders to isolated facilities and to lock up its titular head in maximum security (ref A) would not be tolerated without a flexing of muscle. (NOTE: A case study of the precariousness of the prison system in Sao Paulo is the release of 10,000 inmates last Friday on furlough for Mother's Day (ref A). RSO was told by one police source that the street battles would likely end by Tuesday, May 16, because those inmates, thought to be focal points in the weekend attacks, were due to return to their prisons by 2:00 p.m. Monday. The re-incarceration of these inmates would be voluntary, but was fully expected by State officials. We have no information regarding the rate of compliance. END NOTE.)

19. (SBU) From a public safety standpoint, the result of the

violence is a battered police force that managed to persevere during what had to have been one of the most trying and debilitating weekends faced by almost any police force. In a city where the public largely distrusts its police as being overwhelmed and underpaid at best, and inept and corrupt at worst, public confidence in law enforcement fell even further as it became obvious that just being near police posed a danger, since they were the targets of murderous attacks. Comparisons to Baghdad were frequently made by Paulistanos of all stripes over the weekend, and experienced city-dwellers warned newcomers to avoid stopping next to squad cars or in front of police stations while in traffic, lest you get caught in the crossfire.

¶10. (SBU) However, this wave of brutality at the hands of highly organized criminal enterprises may give added impetus to efforts to revamp the criminal justice system and provide more resources. Government leaders from other states called upon the federal government to better coordinate efforts to combat organized crime and drug trafficking. And there is renewed discussion of exploring methods to block cellular signals within prison facilities, in order to cut the key lines of communication of the PCC and other organized criminal operating from prison. Such a technology option is necessary because prison administrators clearly cannot prevent corrupt guards from helping inmates acquire cell phones illicitly (ref B). The State Secretary of Justice had convinced several cellular operators to shut down transmission towers near some prisons during the uprisings last weekend. This may have disrupted some gang communications, but it also disrupted the communications of nearby residents. The president of the Bar Association of Brazil

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criticized a proposal by Sao Paulo Governor Claudio Lembo to have police monitor the telephone conversations between prison inmates and their lawyers. The Governor suggests that lawyers have been complicit in criminal activities conducted on inmates' behalf. The Bar Association suggested that the government should instead present a list of lawyers known to be abetting crime so they can be disciplined and expelled from the Bar.

COMMENT: LESSONS LEARNED

¶11. (SBU) In the immediate term, life is returning to normal in Sao Paulo, albeit with some trepidation. Paulistanos are now keenly aware just how powerful the organized crime gangs are in Sao Paulo State, and how fragile is their security. The city is taking a hard look inward, as local media outlets review with a certain obsession the worldwide media coverage of the weekend's gang attacks - which were of a brutality previously more commonly associated with Rio de Janeiro than Sao Paulo -- and as commentators blame residents for spreading fear and panic, causing the city to come to a standstill. Comparisons abound: one commentator noted bitterly that London did not stop in the wake of bombings last year, and another pointed to New York City as an example of how zero tolerance can transform a crime-ridden city to a welcoming business and tourist destination. And there is talk of better investments in the lives of children, as President Lula noted over the weekend, in order to reduce the need for costly prisons. But ultimately in a city of 18 million people and a state of about 40 million, large police forces and prison systems are necessary, costly, and hard to manage. Changes will likely be made in the margins - which can be effective, as demonstrated by the downward trend over the last two years in Sao Paulo's murder and violent crime rates - and may begin with a busy signal for Sao Paulo's prisoners when they switch on their cell phones. END COMMENT.

¶12. (U) This cable was coordinated with Embassy Brasilia.

WOLFE